

Defra pilot evaluation – an EB overview

Our summary of the biodiversity offsetting pilot evaluation report

In 2012, Defra commissioned an evaluation of their two-year biodiversity offsetting pilots. Eight pilots ran in 6 areas (included 3 sub-pilots). The evaluation assessed whether the pilots used resources more effectively to deliver benefits for biodiversity and whether the planning decision/compensation process was streamlined. We feel the results of this evaluation, and Environment Bank's progress since the pilots, are important for local planning authorities to consider, hence the summary below.

- Pilot 'hosts' provided ecological expertise which was essential for implementation. *Environment Bank continue to support local planning authorities who do not have expertise in-house.*
- Seven of the eight pilots used the metric in real cases – on 'live' applications.
- Where the metric was used, it provided a 'quantified, consistent, transparent and relatively simple process that accounted for a wider range of biodiversity impacts than current practice.'
- Use of the metric also 'led to improvements in the nature and extent of on-site mitigation and compensation (above what was likely to have happened without the metric).' That is, application of the mitigation hierarchy was strengthened in most cases.
- The metric could be improved – eg. it required additional processes and information. *Environment Bank have since designed a calculator and collated reference material for quicker, more consistent application of the metric.*
- The pilots did not feel that existing national policy was sufficient to enable voluntary uptake of offsetting, particularly for lower-value habitats. However, one pilot instead applied the metric to determine 'significant' harm as per the NPPF - it was applied to over 60 applications, six of which secured off-site compensation during the pilot. *Environment Bank was a lead partner in this pilot (Warwickshire, Coventry & Solihull) and still support any local authority who wishes to apply a system of biodiversity accounting to support decision-making around 'significance'.*
- Planning officers within the pilots worked to include reference to biodiversity offsetting in local plans, although few were adopted due to the relatively short pilot time-frames. *Environment Bank now has a toolkit for planning authorities that contains all the information and wording required to include reference to this system in local plans and planning responses.*
- Early engagement by planning authorities with developers was key in successful application of the metric and appropriate compensation being accepted. However, a lack of resources within local authorities hindered a proactive approach. *This was not the case where Environment Bank was a key pilot partner - we continue to offer support and information (eg. planning toolkit) to local authorities who wish to introduce a biodiversity accounting ('offsetting') system.*
- Section 106 agreements were the mechanism of choice for securing off-site compensation during the pilots, although none were finalised (16 were in the pipe-line). *Although s106 agreements are being used, Environment Bank remain confident that planning conditions are appropriate for securing*

compensation via a streamlined conservation credit purchase. EB have legal contracts that replace the need for s106 agreements and, as the system has matured, planning authorities are more confident to consider conditions over s106 agreements.

- Generally it was thought that applying the metric had potential to lead to a quicker planning process – although the time saved was reported as only 'marginal', *Environment Bank are finding that once stakeholders (planning authorities, developers) are familiar with the system and apply it routinely, there can be significant time-savings (see our Ribble Valley case study).*
- Where compensation was required, pilots reported that it was more costly for developers than previously. Impacts that may have been previously unaccounted for were now valued by the metric. Due to the voluntary nature of the system, many developers were not proceeding with meeting the full compensation costs as required by the calculations. *Environment Bank are working with local authorities (e.g. in Warwickshire and the Ribble Valley) where the metric is applied consistently to applications early in the planning process. A consistent approach is key as it streamlines the system - saving developers time (and money) - and allows for predictable compensation costs.*
- Unpredictable costs of offsets were an issue as the information available on habitat creation and restoration costs was unavailable and land managers were reluctant to prepare management plans (in a voluntary system) for developers who may not have proceeded. *Environment Bank have since collated realistic prices for potential compensation sites of different habitat types and are setting up habitat banks with local authorities so that credits can be sold at a set price to multiple developers.*
- Any expectation for in-perpetuity management of compensation sites (which was undefined) was replaced with 25-30 year management plans. *In practice, Environment Bank have found 25-30 year plans are the most appropriate for all stakeholders and a long-term solution to creating and managing habitats in a changing environment.*
- Local authorities within the pilots wanted compensation sites close to the developments and within the boundary of the same authority. *Environment Bank continue to meet this expectation when working with local authorities by actively searching for, and registering, landowners in their areas.*
- Overall, the metric was applied and tested readily during the pilots, but there was a lack of evidence and experience in the offset delivery and management. *Since the pilots Environment Bank have secured offsets and refined the process by which a compensation site is found and managed.*
- The pilots all stated (and the evaluation concluded) that their application of the metric highlighted the failure of the current planning system to capture the impacts of development and achieve no-net-loss of biodiversity.

Environment Bank are encouraged by the results of the pilot evaluation, as well as the feedback from stakeholders involved in application of the system since the life of the pilots. As identified above, we feel we have since tackled many of the barriers identified during the pilots as we continue to implement the system on real cases.

Contact us

Please do not hesitate to contact us with your queries about our continued application of the metric, introduction of this 'biodiversity accounting' system in partnership with local planning authorities and our extensive work with compensation site providers (particularly farmers via our AB Sustain partnership). **Phone** 07710 192295 (Louise Martland) or email admin@environmentbank.com